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CENTRAL INTELLIGENCE GROUP

16 July 1946

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Budgetary Requirements

1. Attached hereto as Exhibit A is the tentative budget for the Central Intelligence Group under its proposed organization. The budget contains two (2) estimates: an estimate for Fiscal Year 1947, based on an assumed rate of recruitment and assumed average salaries; this figure also assumes cost of furnishing initial equipment (desks, typewriters, etc.) for the entire unit; and an estimate of cost for Fiscal Year 1948 based on average salaries at entire year's employment.
2. Exhibit B indicates amounts of money available in State, War, and Navy Departments for intelligence purposes; and the amount available to C.I.G. for its operations in these appropriations. This exhibit indicates a shortage in the amount of 25X1A1a to cover Fiscal Year 1947 planned operations.
3. A conference was held in the Office of the Assistant Director of the Bureau of the Budget on 12 July 1946 to determine how the deficit could be provided. I was informed that the Congress would not accept any further supplemental budgets for the fiscal year 1947. This decision forced upon the C.I.G. the following alternatives:

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(a) A holding operation using only presently existing funds at planned annual rate. This will provide spotty and wholly inadequate clandestine coverage; spotty broadcast coverage; and would drastically reduce the recruiting campaign for the Offices of Research and Evaluation, Collection, and Dissemination.

(b) Request the National Intelligence Authority to furnish adequate funds from their respective departmental appropriations to finance the operations contemplated in the attached budget.

(c) Request the National Intelligence Authority to contact the Appropriations Committees of both houses and secure from them approval to expend existing funds at an accelerated rate. Funds to be exhausted early in January 1947 with a view to asking the new Congress for additional funds with which to finish the fiscal year.

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Colonel, CAC  
Administrative Officer

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